

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
93rd General Assembly
First Extraordinary Session, 2021

A Bill

Call Item 2
HOUSE BILL 1002

By: Representative Rye

For An Act To Be Entitled

AN ACT CONCERNING UNEMPLOYMENT COMPENSATION; TO MODIFY THE DIVISION OF WORKFORCE SERVICES LAW; TO CLARIFY THE PUBLIC POLICY OF THE STATE IN RELATION TO THE DIVISION OF WORKFORCE SERVICES LAW; TO CLARIFY THE LAW CONCERNING THE STATE'S PARTICIPATION IN FEDERALLY FUNDED UNEMPLOYMENT PROGRAMS OFFERED ON A VOLUNTARY OR OPTIONAL BASIS; TO TERMINATE THE STATE'S PARTICIPATION IN CERTAIN FEDERAL UNEMPLOYMENT PROGRAMS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THE LAW CONCERNING THE STATE'S PARTICIPATION IN CERTAIN FEDERALLY FUNDED UNEMPLOYMENT PROGRAMS; TO TERMINATE THE STATE'S PARTICIPATION IN CERTAIN FEDERAL UNEMPLOYMENT PROGRAMS; AND TO DECLARE AN EMERGENCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 11-10-102(3), concerning the policy related to the Division of Workforce Services Law, is amended to read as follows:

(3) The General Assembly, therefore, declares that in its considered judgment the public good and the general welfare of the citizens of this state require the enactment of this measure, under the police power of the state, for the compulsory setting aside of unemployment reserves that



are federally mandated to be used for the benefit of persons unemployed through no fault of their own.

SECTION 2. Arkansas Code § 11-10-312 is amended to read as follows:

11-10-312. Federal-state cooperation.

(a) ~~In~~ Except as provided in subsection (c) of this section, in the administration of this chapter, the Director of the Division of Workforce Services shall cooperate with the United States Department of Labor to the fullest extent consistent with ~~the provisions of~~ this chapter and shall take ~~such~~ action, through the adoption of ~~such~~ appropriate rules, administrative methods, and standards as may be necessary to secure to this state and its citizens all advantages available under ~~the provisions of~~ the Social Security Act that relate to unemployment compensation, the Federal Unemployment Tax Act, the Wagner-Peyser Act, and the Federal-State Extended Unemployment Compensation Act of 1970.

(b) In the administration of ~~the provisions in~~ §§ 11-10-534 – 11-10-543, which are enacted to conform with the requirements of the Federal-State Extended Unemployment Compensation Act of 1970, the director shall take ~~such~~ action as may be necessary to:

(1) Ensure that the provisions are so interpreted and applied as to meet the requirements of the federal act referred to in this subsection as interpreted by the United States Department of Labor; and

(2) ~~Secure~~ Except as provided in subsection (c) of this section, secure to this state the full reimbursement of the federal share of extended benefits paid under this chapter that are reimbursable under the federal act referred to in this subsection.

(c) If a federally funded program is offered to the state on a voluntary or optional basis, the director may participate in the program only if participation is authorized by law by the General Assembly.

SECTION 3. DO NOT CODIFY. Termination of participation – Retroactivity.

(a) The Director of the Division of Workforce Services shall immediately terminate the State of Arkansas's participation in the:

(1) Pandemic Unemployment Assistance program, 15 U.S.C. § 9021;

(2) Emergency Unemployment Relief for Governmental Entities and

Nonprofit Organizations, 15 U.S.C. § 9022 and 42 U.S.C. § 1103;

(3) Federal Pandemic Unemployment Compensation program and the Mixed Earner Unemployment Compensation program, 15 U.S.C. § 9023;

(4) Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week, 15 U.S.C. § 9024; and

(5) Pandemic Emergency Unemployment Compensation program, 15 U.S.C. § 9025.

(b) Termination of participation under subsection (a) of this section is retroactive to June 26, 2021.

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the coronavirus 2019 (COVID-19) pandemic negatively affected the economic health of the state in part because it led to higher unemployment rates; that the United States Government instituted extraordinary federal unemployment programs to assist states with their economic recovery and Arkansas voluntarily participated in those federally funded programs; that Arkansas's economy is recovering, and the state's unemployment rate has decreased; that employers in this state have tens of thousands of job vacancies that need to be filled; that the continuation of these extraordinary federal unemployment programs could interfere with the ability of employers to fill job vacancies and complete the state's economic recovery; and that this act is immediately necessary because the state needs to return its unemployment compensation system to normal functioning to safeguard the progress the state has made and to complete the state's economic recovery, which is in the best interest of all Arkansans. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.